

For: Oregon County Offices

Special Apple Loan Processing

Approved by: Jack L. Sainsbury, State Executive Director



JLS:LEV:RBP

1 Overview

A

Purpose

To provide Oregon County Offices with a standardized fact sheet, forms, processing guide, and specific guidance in processing requests for Special Apple Loan Program. Use of the forms and processing guide are intended to ensure consistency and accuracy in processing Special Apple Loan requests.

B

Background

Section 203 of the Agricultural Risk Protection Act of 2000 provided assistance to apple producers adversely affected by the low prices for 1999 and 2000. On December 6, 2000, the regulations were published as 7 CFR Part 773 in the Federal Register and designated as the Special Apple Loan Program. On December 27, 2000, the regulations were promulgated in Part 5 of the FSA 6-FLP Handbook.

C

Contacts

If there any questions regarding this notice, please contact the Farm Program Section in the State Office.

FILING: Preceding FSA Handbook 6-FLP and 1910-A

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February 12, 2002
2-12-01

Distribution:

STO, DD, COR, COC, COF – Including Farm Loan Programs

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2 Processing

A Program Information

General information on eligibility, loan amounts, collateral requirements, and other information in regards to the Special Apple Loan Program is provided in the attached Exhibit 1 of this Oregon Notice.

A checklist which can be used by applicants in assembling the necessary information and documentation for a Special Apple loan is found in the attached Exhibit 2 of this Oregon Notice.

C Application Processing

When applications are received, the Special Apple Loan Processing Guide attached as Exhibit 3 of this Oregon Notice will be used as part of the required documentation in the loan docket. As documentation, forms, and processing steps are initiated or completed, the Processing Guide will be completed as to the date received with the initials of the responsible FSA employee.

D Loan Evaluation

In order to fully document eligibility, collateral requirements, completeness of applications, and use of loan funds for Special Apple loan requests, processing officials will complete the Loan Evaluation sheet attached as Exhibit 4 of this Oregon Notice.

E Signature Addendum

The promissory note and security agreement and claim assignment have limited room for applicants' signatures. Exhibit 5 to this Oregon Notice provides the Addendum For Additional Signatories.

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3 Appraisal Requirements

A

General Requirements

For loans greater than \$30,000 where the balance sheet reflects a net worth of less than three times the loan amount, collateral values must be based on an appraisal. The appraisal must be obtained at the expense of the applicant and be in accordance with USPAP and be acceptable to the Agency. The appraisal report must be submitted directly to the Agency from the appraiser. The Agency list of qualified appraisers can be provided to applicants for their use in hiring a qualified appraiser.

B

Reviewing Appraisals

Unless otherwise directed, processing officials will forward completed appraisal reports to Oregon's Review Appraiser in the State Office for necessary review for acceptability. Upon completion of the review, written documentation will be provided to the processing official in regards to the Agency's acceptability.

4 Lien Instruments

A

Real Estate Mortgage

Since the Commodity Credit Corporation is the source of funding for Special Apple loans, a revised mortgage is being developed for use in Oregon. The revised mortgage will issued in the near future and will be electronically distributed. The revised mortgage must be used when securing Special Apple loans with real property.

B

Chattel Liens

Attached to this Oregon Notice is Exhibit 6 which provides the standard language for use in completing UCC and EFS filings when securing Special Apple loans with chattels.

C

Fixture Liens

Attached to this Oregon Notice is Exhibit 7 which provides the standard language for use in completing UCC-1A filings when securing Special Apple loans with fixtures. In those cases where a lien is to be taken on fixtures on leased property, Form CCC 297, "Severance Agreement," must be used.
